

CHAPTER I

INTRODUCTION

This chapter presents the introduction of the study. The discussion in this chapter includes the Background of the Study, the Problem Identification, the Limitation of the Problem, the Formulation of the Problem, Research Objectives, and Research Significance.

A. Background of the Study

Indonesian Government has been encouraging the development of creative economy since 2006 in order to support the national economic growth which is expected to improve the people's welfare (Kementrian Perdagangan Indonesia: 2009). It was based on the fact that creative industries, as the main pillars in creative economy, turn out to have a significant contribution in the Gross Domestic Product (GDP) of this country and in the creation of job fields too (Sugiarto in Association of Exporters and Producers of Indonesian Handicraft: 2007). Watkins, as stated in the U.S. Bureau of Economic Analysis (2000), views GDP as an indicator of economic growth that is reflected in the value of the goods and services produced by an economy; and the vice president of Indonesia, Boediono, says that the contribution of creative industries in national GDP had shown a positive growth in the past five years (KBRI Kuala Lumpur: 2010). Data from Indonesian Ministry of Trade, reported in KBRI Kuala Lumpur (2010), shows that creative industries in Indonesia had contributed 7.28% in the total value of national GDP of 2008 and it has reached 7.6% by 2010.

Various definitions of creative industries have been suggested. Department of Culture, Media and Sports as cited in United Nations Industrial Development Organization (2005: 14), describes creative industries as *“those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and*

exploitation of intellectual property.” In line with Department of Culture, Media and Sports, Direktorat Jenderal Industri Kecil dan Menengah (2008) defines creative industries as any kinds of industries where the creations of its products are based on the original ideas and creativities of the creators. It is clear that human intellectual creativity plays an important role in creative industries; thus, empowering the concept of creative economy in Indonesia is a strategic plan with creative talents and their innovative products available everywhere in the country as the basic foundation for creative industries.

Kementrian Perdagangan Indonesia (2009) has mapped creative industries in Indonesia into 14 subsectors, i.e.: Architecture, Design, Fashion, Film, Video & Photography, Crafts, Software & Computer Services, Music, Art & Antiques Markets, Printing & Publishing, Advertising, Interactive Games, Research & Development, Performing Arts, and Television & Radio. Among all of the creative industry subsectors, fashion and crafts are the dominant sectors in Indonesia. They also reported that the major types of business in creative industry sectors are micro, small and medium enterprises.

Micro, small and medium enterprises are types of business which are privately owned and operated with a small number of employees (Guralnik: 1920). As a matter of fact, such enterprises have developed rapidly in Indonesia as a result of the relative lack of formal sector jobs available in the country. Moreover, this type of business can be established within a limited budget. Unexpectedly, micro, small and medium enterprises had shown a great role in national economic growth. Beside their significant contribution in national GDP and their ability to create job fields, the size of their business entities allows them to adapt more easily to any changes of business climate and they can respond to the marketplace quickly (Sugiarto in Association of Exporters and Producers of Indonesian Handicraft: 2007)

Kebumen district, where the writer gathered the data for this research, has many creative communities, especially those whose work relates to craftsmanship. The existence of these craftspeople is preserved through a very long and varied process based on tradition and cultural heritage. In addition,

the district serves conducive setting for the craftspeople by providing raw and indigenous materials as the media for craftsmen to express their skills. Main craft products of Kebumen district are those made from ceramics, coconut tree, woven *pandan*, stones, wood, and bamboo. Some also produce *batik*, roof-tiles, bags, and popper (fake fish-bait). Earlier, craftsmanship in Kebumen was just some leisure activities by creating useful and decorative devices using natural materials and traditional techniques, and then it developed into a way to earn a living. Basically, craftsmanship requires skills, talent, and creativity, but it can also be learnt by anyone.

Craftsman community in Kebumen is accommodated in a large number of small-scale craft industries in the district. These small-scale craft industries are privately owned and operated by some of the craftsmen. The existence of such industries brings positive economic value to this district and Department of Industry, Trade, and Cooperatives of Kebumen District who serve as their facilitator provide direct support and services to promote such industries.

Department of Industry, Trade, and Cooperatives of Kebumen District facilitate support and assistance to local small-scale craft industries that cover the following areas: production process, business management, and marketing mechanism. Support in production process was carried out by providing assistance for improvement in craft products' design and quality, establishing training and seminars of modern technology of production, and supplying aids for production like equipments, tools, and machinery. Improvement in business management was done through education and training to promote entrepreneurship and management skills, assistance in registration of brands, and credit and financial support. While assistance in the area of marketing mechanism was established by developing information system and websites of small-scale craft industries' superior products, introducing e-commerce to the craftsmen in Kebumen district through trainings, facilitating the establishments of retail outlets, and arranging exhibitions at local, national, and international craft trade fairs (Dinas Perindustrian, Perdagangan, dan Koperasi: 2008).

So far, the programs carried out by Department of Industry, Trade, and Cooperatives of Kebumen District to promote local craft industries have been showing good results. There are improvements in the products and in the quality of life of the craftsmen. They also have implemented a better marketing mechanism to promote their craft products. They managed to have continuing business contracts and some of Kebumen's craft products even have become main export commodities of the district. These achievements are mainly attained from national and international craft trade fairs where the personnel of the department, together with the craftsmen, conducted craft products exhibitions.

Department of Industry, Trade, and Cooperatives of Kebumen district is a regular participant in national and international craft exhibitions or trade fairs. Such exhibitions are usually established annually by Indonesian Government or by Non-Government Organizations that take place in big cities in Indonesia. Trade fairs – especially those in international scales – offer great opportunities for business expansion to overseas market. Department of Industry, Trade, and Cooperatives of Kebumen District have also benefited significant amount of craft products selling and fixed business contacts from such exhibitions.

However, Department of Industry, Trade, and Cooperatives of Kebumen district admitted that they have not yet got maximum advantages from products exhibition in international trade fairs. They are still facing a particular problem in such international events. International craft trade fairs function as promotion and selling media that attract participants from around the world. It has become the most target place for craft traders and buyers to conduct direct selling. Thus, the traders joined trade fairs are demanded to have a good skill in communication to successfully serve the buyers looking around their display booth. Yet, trading can be difficult when it has to do with buyers from different countries due to the differences in language. This, apparently, becomes the major problem faced by the craftsmen and the

officers of Department of Industry, Trade, and Cooperatives from Kebumen district when joining international trade fairs.

They faced a language barrier when they have to serve buyers from different countries in international trade fairs. They often have to lose potential buyers just because both of them cannot understand each other's words. In situation like this, a *lingua franca* – a language used as a common language between speakers whose native languages are different – is needed to bridge the communication gap that occurs. The overseas buyers always tried to communicate in English but it could not help much since the contingent from Kebumen is not having adequate English speaking skill too. It corroborates the study conducted by Zussman (2010) which found that English proficiency between trade partners across the globe has a strong and statistically significant effect on trade flows; thus English still becomes the leading candidate to play the role a *lingua franca* in similar cases.

Given the situation, the officers of Department of Industry, Trade, and Cooperatives and the craftsmen of Kebumen district realize the need of English speaking skill when joining international trade fairs in order to be able to maximize their craft products promotion to overseas buyers. Thus, Department of Industry, Trade, and Cooperatives of Kebumen district is planning to establish English speaking course for both their officers and the local craftsmen but there are no English course programs in town that suit their learning needs and there are no learning materials available for them to be used as a means to develop their English speaking skill.

Based on the discussion above, this research intends to develop English speaking learning materials which suit the learning needs of the personnel of small-scale craft industries and Department of Industry, Trade, and Cooperatives of Kebumen district. Hopefully, the result of this research can be used as means to develop their English speaking skill.

B. Problem Identification

Craftsmanship is one of Kebumen's potentialities and it is reflected in numerous amounts of small-scale craft industries found in the district. In the very beginning, small-scale craft industries in Kebumen was operating under poor management and in a very limited funding. Yet, they were proven to have a significant contribution in employment and in improvement of social welfare. Moreover, their craft products often contain high commercial value.

Department of Industry, Trade, and Cooperatives of Kebumen district is the official government institution that is responsible to promote and empower the potential in industrial, trade, and cooperative sectors of the district including small-scale craft industries. They targeted small-scale craft industries as one of valuable contributors to the economy of the district by helping them overcome their limitation. The department initiated the development programs for small-scale craft industries by carrying out management training, facilitating access to sources of funding, and strengthening their market access. Through the development programs, small-scale craft industries in Kebumen are now showing positive improvements in operational management and business networking.

Several times in a year, Department of Industry, Trade, and Cooperatives arrange craft exhibitions in trade fairs as one of the programs for local craft industries development. By joining trade fairs, the craftsmen who are assisted by the officers of the department can conduct direct selling and they also can learn directly to improve their products' design and quality from the buyers there. Trade fairs also provide big opportunities for getting new business contacts.

Direct selling involves face to face communication with the customers and it could be an effective promotion activity by knowing directly what the customers want or need to know. Therefore, direct selling demands a good communication skill in order to be able to convey all of the information needed by the customers that eventually would make customers being persuaded to make a purchase.

Buyers who visit craft trade fairs consist of merchants and retailers. Merchants usually deal with big scale trading, while retailers are those who make a purchase for gifts or personal use. Dealing with merchants who come from abroad might lead to an export business transaction which means sales in a very big scale. The craftsmen and the officers of Department of Industry, Trade, and Cooperatives of Kebumen district certainly have had communication skills needed to serve the buyers while conducting exhibitions in any trade fairs. What they are lacking of is a tool to communicate with overseas buyers who speak different languages; whereas, they often have to face such customers in international trade fairs. When it happened, they had to rush asking other exhibitors' help to communicate and to make deals with overseas buyers; otherwise, they just simply had to watch their potential buyers left.

As it has been discussed previously, Department of Industry, Trade, and Cooperatives of Kebumen district want to eliminate this communication issue by planning to establish English speaking course for their officers and local craftsmen, so they can make the most advantage of direct selling in international trade fairs. English is chosen because it seems to be the most language that the overseas buyers tried to communicate with; thus, it will be the best vehicle language to facilitate trade transactions with buyers who speak different languages.

Both of the craftsmen and the officers of the Department of Industry, Trade, and Cooperatives of Kebumen District realize the importance of English for their profession and that they have to improve their English speaking skill. They have strong desire to learn and to improve their competency in communication using English in order to be able to serve overseas buyers in craft trade fairs better. Unfortunately, they cannot find any suitable English speaking course in their town and there are no suitable English speaking learning materials available for them. It is also too expensive for them to invite a professional English tutor from out of town to teach them English. As a matter of fact, the officers of Department of

Industry, Trade, and Cooperatives of Kebumen District often receive invitations from other institutions to join English training and education programs but they were always been held in other town so the officers of the department have never had chance to attend them.

However, English is not a new language for the craftsmen and the officers of the Department of Industry, Trade, and Cooperatives of Kebumen district because they actually have learned it in their formal education. The problem is that they learned it merely as an instructional subject at school or college and they rarely use it for communication in their working field. Having the rare opportunity to practice English speaking skill makes them lack of speaking skill. This state is considered in the process of developing the English speaking learning materials.

Developing English speaking learning materials as a matter of fact is a part of steps done in designing a language instructional program. In this case, the researcher have developed instructional materials to be used as a means to improve the speaking competency of the craftsmen and the officers of the Department of Industry, Trade, and Cooperatives of Kebumen district within a language course program. Therefore, this study mainly deals with English for Specific Purpose (ESP) by considering that they need an English course program to improve their performance in their working field.

In summary, the researcher's role is to provide them with English speaking learning materials which are suitable with their learning needs, i.e. to be able to communicate with overseas buyers while conducting craft exhibitions in international trade fairs. Thus, the craftsmen and the officers of the department may use the developed English speaking learning materials within a language course program to practice their English speaking competency.

C. Limitation of the Problem

Due to the limitation of the researcher's time, fund, and access to the officers of Department of Industry, Trade, and Cooperatives and to the craftsmen of small-scale craft industries in Kebumen district, this study only focuses on the process of developing English speaking learning materials which are suitable with their learning needs.

D. Formulation of the Problem

The problem is formulated as follows:

“What are the suitable English speaking learning materials for the personnel of small-scale craft industries and Department of Industry, Trade and Cooperatives of Kebumen district like?”

E. Research Objective

In line with the formulation of the problem, the objective of this research is to develop suitable English speaking learning materials for the personnel of small-scale craft industries and Department of Industry, Trade and Cooperatives of Kebumen district.

F. Research Significance

1. The developed English speaking learning materials will be useful as a means for the personnel of small-scale craft industries and Department of Industry, Trade, and Cooperatives of Kebumen district to practice their English communication skill within a language course program.
2. The process of developing English speaking learning materials will be useful as reference for other researchers who conduct a similar research.